



24 June 2019

Attention: Affected Persons of International Ferro Metals (SA) Proprietary Limited (in business rescue)

Dear Sir/Madam

NOTICE TO THE AFFECTED PERSONS OF INTERNATIONAL FERRO METALS (SA) PROPRIETARY LIMITED (IN BUSINESS RESCUE) ("THE COMPANY") IN TERMS OF CLAUSE 32 OF THE APPROVED BUSINESS RESCUE PLAN

1. Notice is hereby given that in terms of clause 32.1 of the approved business rescue plan ("the plan"), the business rescue practitioner has amended the plan.
2. The amendments to the plan have become necessary as, between the Signature Date and the Registration Date (as defined in the Sale of Mining Right and Beneficiation Plant Agreement between the company and Samancor Chrome Limited):
 - a. certain theft/s and damage/s has/have been suffered by the Lesedi mine in relation to certain underground and/or other Mining Assets; and
 - b. the Parties have been cooperating in the determination of the extent of such theft/s and damage/s and any insurance claims arising therefrom and have agreed that the value of such theft/s and damage/s amounts to R95 688 617.71.
3. Certain of the theft/s and damage/s that has/have been suffered by the Lesedi mine in relation to certain underground and/or Mining Assets are subject to claims by Samancor against the company under the Sale of Mining Right and Beneficiation Plant Agreement.
4. In the circumstances, the original purchase price in the Sale of Mining Right and Beneficiation Plant Agreement of R140 000 000.00 (plus VAT) has been adjusted to R44 311 382.29 (plus VAT). The Bank of China is the only creditor that is affected by the amendment to the purchase price. Bank of China has accepted the amendment to the Sale of Mining Right and Beneficiation Plant Agreement, has

agreed to the reduced Purchase Price and has consented to the consequential amendments to the plan required to give effect to this.

5. In the circumstances, the plan is hereby amended as follows:

a. by the deletion of paragraph 1.1 in its entirety and the replacement with a new paragraph 1.1 as follows:

"1.1 On 7 December 2015, the business rescue plan of IFMSA, together with its annexures ("**the Plan**"), was adopted and approved by the creditors present and voting at a meeting of the creditors held in terms of section 151 of the Companies Act, No 71 of 2008 ("**the Act**"). During the implementation of the Plan, circumstances necessitated that certain amendments be made. The amendments to the Plan were approved at a meeting held on 26 March 2016 ("**the Amended Plan**"). During the implementation of the Amended Plan, circumstances necessitated that certain further amendments be made. The amendments to the Amended Plan are set out herein."

b. by the addition of a new paragraph 6.17 as follows:

"6.17 Following the approval of the Amended Plan, during the implementation thereof, unforeseen events required certain amendments to the Amended Plan. The amendments to the Amended Plan are contained at amongst other paragraphs 15.7.4, 15.8.2.2, 29.4, 29.5 and 29.6."

c. by deleting "R520 000 100" where it appears in paragraphs 15.7.4 and replacing it with "R424 311 482.29".

d. by deleting "R140 million" where it appears in clause 15.8.2.2 and replacing it with "R44 311 382.29".

e. by deleting "R520 million" where it appears in paragraphs 29.4 and replacing it with "R424,311 million".

f. by the deletion of the table at paragraph 29.5 and replacing it with the following table:

Claims to be Settled	(R000's)	%	Envisaged Sequence of Payment	Business Assets	UG2 Contract	Skv Chrome Receivable	Lesedi Mine
Estimated Sale Proceeds			424 311,0	210 000,0	100 000,0	70 000,0	44 311,0
BRP remuneration and expenses (S135(3))	1 000,0		1 000,0	1 000,0	-	-	-
Estimate Costs of Business Rescue Proceedings (S135(3))	23 280,0		23 280,0	23 280,0	-	-	-
Employees Post Commencement Finance (S135(3)(a) & S135(1))	44 848,6		44 848,6	44 848,6	-	-	-
Secured PCF - Bank of China	10 000,0		10 000,0	10 000,0	-	-	-
Unsecured PCF	6 076,5		6 076,5	6 076,5	-	-	-
Lombard Insurance	6 588,0		6 588,0	6 588,0	-	-	-
Secured Pre-Business Rescue Claim – Bank of China	310 000,0		214 311,0	-	100 000,0	70 000,0	44 311,0
Secured Pre-Business Rescue Claims	6 448,4		6 448,4	6 448,4	-	-	-
Sub Total	408 241,5		312 552,5	-	-	-	-
Available for Distribution to Concurrent Creditors	1 567 718,4	100%	111 758,5	-	-	-	-
Concurrent Pre-Business Rescue Claims	323 594,5	21%	23 068,2	23 068,2	-	-	-
Bank of China Concurrent	160 000,0	10%	11 406,0	11 406,0	-	-	-
Provision for Future Expenses	-	0%	-	-	-	-	-
Contingent Liabilities	-	0%	-	-	-	-	-
Disputed Claims	-	0%	-	-	-	-	-
Concurrent Shareholder Claim IFML	55 629,2	4%	3 965,7	3 965,7	-	-	-
Concurrent Loan Claim - IFMSA Holdings	1 028 494,7	66%	73 318,7	73 318,7	-	-	-
Subordinated Loan Claim – IFMSA Holdings	1 545 567,9		-	-	-	-	-
Total Claims	3 521 527,8		-	-	-	-	-

- g. by the deletion of paragraph 29.6 in its entirety and the replacement with a new paragraph 29.6 as follows:

"29.6 Assuming the proceeds to be received by IFMSA from the Proposed Transaction amount to R424,311 million, the proceeds will first be applied to settle the claims above, which make up the cR408 million up to an amount of cR312,552 million. The remaining assumed balance of cR111,758 million will then be allocated amongst the concurrent claims pro rata. The pro rata percentages are reflected in the table above, next to the respective claims. The subordinated claim will realise Rzero."

6. Please be advised that in terms of clause 32.2 of the plan, the amendments to the plan are deemed to take effect on the date of this notice.

Yours faithfully



Trevor Murgatroyd

Business Rescue Practitioner